



# Committee On Finance

Max Baucus, Ranking Member

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## NEWS RELEASE

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### **Baucus Blasts Administration's Failure to Implement Landmark Trade Adjustment Assistance Expansion**

Today, the Government Accountability Office (GAO) issued a report reviewing the Bush administration's implementation of the Trade Adjustment Assistance Reform Act of 2002. The Trade Adjustment Assistance (TAA) program provides job training, income support, a health care tax credit, and other help to workers who have been displaced by trade.

After reviewing GAO's conclusions, Senator Max Baucus, ranking member of the Senate Finance Committee, which has jurisdiction over the TAA program, made the following statement:

"One of my proudest achievements as Chairman of the Senate Finance Committee was passing the Trade Adjustment Assistance Reform Act of 2002. This landmark legislation expanded eligibility to broad new categories of trade-impacted workers and made innovative new benefits available.

"I believe in trade. I believe that opening new markets and leveling the playing field benefit American workers, farmers, and businesses. But there are also downsides from trade. And when our national trade policy leads to job losses in one sector, we have a responsibility to help workers get new skills and find new jobs in other sectors of the economy.

"I requested this GAO report to assess whether the administration is making all possible efforts to get TAA benefits to the workers who need them. By all measures, they come up short.

"This report confirms my suspicions that the Bush administration is undermining the most effective program we have to help workers who have lost their jobs because of trade. Instead of helping workers get new skills, the Department of Labor (DOL) is denying laid-off workers access to training, shortchanging secondary workers, and dragging its feet on a new wage insurance option for older workers. This administration fought this worker assistance program before we succeeded in passing it in 2002, and continues fighting to weaken it even though it is the law of the land.

“One of the key improvements in the Reform Act was extending TAA benefits to secondary workers – workers in supplier firms that close when their customers lose out to import competition. Despite an enormous increase in the pool of eligible workers, hardly any secondary workers are receiving benefits. GAO found that the Department of Labor lacks any outreach strategy for identifying potentially eligible secondary workers, which effectively deprives them of their benefits.

“Another key improvement was to offer older workers a ‘wage insurance’ option if they found new jobs quickly that pay less than the old ones. The report highlights how foot-dragging by the Department of Labor made it virtually impossible for states to implement and workers to pursue this option. In light of the President’s call for “21<sup>st</sup> century” retraining programs, this grudging approach to a truly 21<sup>st</sup> century option enacted by Congress is inexcusable.

“After this administration fought against adequate funding for new TAA enrollees, I am frustrated, but not surprised, to see that DOL is now forcing states to ration training dollars or even to deny workers access to retraining. TAA is first and foremost a retraining program. Denying trade-impacted workers the chance to learn new skills vitiates the whole purpose of the program.

“DOL also deliberately undercounts workers who find new jobs after TAA retraining – lowering its statistical success rate. It gives states no credit for workers who become self-employed -- one of the fastest growing job categories in the economy today – or for those who find federal, military, or postal jobs. That sets the program up to look like a failure.

“Although not covered in GAO’s report, I am deeply concerned about the administration’s failure to show its commitment to America’s small and medium-sized businesses by funding the TAA for Firms program. Last week, the administration sat by while Republicans in Congress moved to slash the program to half its authorized level. With small businesses accounting for the majority of American job creation, we need to invest in making our small businesses globally competitive – not cut the program designed to do just that.

“To me, giving American workers the skills they need to compete in the global economy is perhaps the single most important thing our government can do to strengthen the economy. We can and must do better to bring our TAA program to its full potential.”

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